



Q2 2019 Earnings Call

July 24, 2019

Legal

This presentation should be viewed in conjunction with IQVIA's Q2 2019 earnings call

Safe Harbor Statement for Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, our full-year and third quarter 2019 guidance. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Actual results may differ materially from our expectations due to a number of factors, including, but not limited to, the following: that most of our contracts may be terminated on short notice, and we may lose or experience delays with large client contracts or be unable to enter into new contracts; imposition of restrictions on our use of data by data suppliers or their refusal to license data to us; any failure by us to comply with contractual, regulatory or ethical requirements under our contracts, including current or changes to data protection and privacy laws; breaches or misuse of our or our outsourcing partners' security or communications systems; hardware and software failures, delays in the operation of our computer and communications systems or the failure to implement system enhancements; failure to meet our productivity or business transformation objectives; failure to successfully invest in growth opportunities; our ability to protect our intellectual property rights and our susceptibility to claims by others that we are infringing on their intellectual property rights; the expiration or inability to acquire third party licenses for technology or intellectual property; any failure by us to accurately and timely price and formulate cost estimates for contracts, or to document change orders; the rate at which our backlog converts to revenue; our ability to acquire, develop and implement technology necessary for our business; consolidation in the industries in which our clients operate; risks related to client or therapeutic concentration; the risks associated with operating on a global basis, including currency or exchange rate fluctuations and legal compliance, including anti-corruption laws; risks related to changes in accounting standards, including the impact of the changes to the revenue recognition standards; general economic conditions in the markets in which we operate, including financial market conditions and risks related to sales to government entities; the impact of changes in tax laws and regulations; and our ability to successfully integrate, and achieve expected benefits from, our acquired businesses. For a further discussion of the risks relating to the combined company's business, see the "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2018, filed with the Securities and Exchange Commission (the "SEC") as such factors may be amended or updated from time to time in our subsequent periodic and other filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our filings with the SEC. We assume no obligation to update any such forward-looking statement after the date of this presentation, whether as a result of new information, future developments or otherwise.

Non-GAAP Information

This presentation includes information based on financial measures that are not recognized under generally accepted accounting principles in the United States ("GAAP"), such as Adjusted EBITDA, Adjusted Net Income, Adjusted Basic and Diluted Earnings per Share. Management believes that these measures are useful to assess the company's operating performance trends on a more consistent basis from period to period because they exclude certain non-cash items, certain variable costs and certain other adjustments. The non-GAAP measures are not presented in accordance with GAAP. Please refer to the appendix of this presentation for reconciliations of non-GAAP financial measures contained herein to the most comparable GAAP measures.

Our full year and third quarter 2019 guidance measures (other than revenue) are provided on a non-GAAP basis because the company is unable to reasonably predict certain items contained in the GAAP measures. Such items include, but are not limited to, acquisition and integration related expenses, restructuring and related charges, stock-based compensation and other items not reflective of the company's ongoing operations.

Past Performance

In all cases where historical results are presented or past performance is described, we note that past performance is not a reliable indicator of future results and performance.

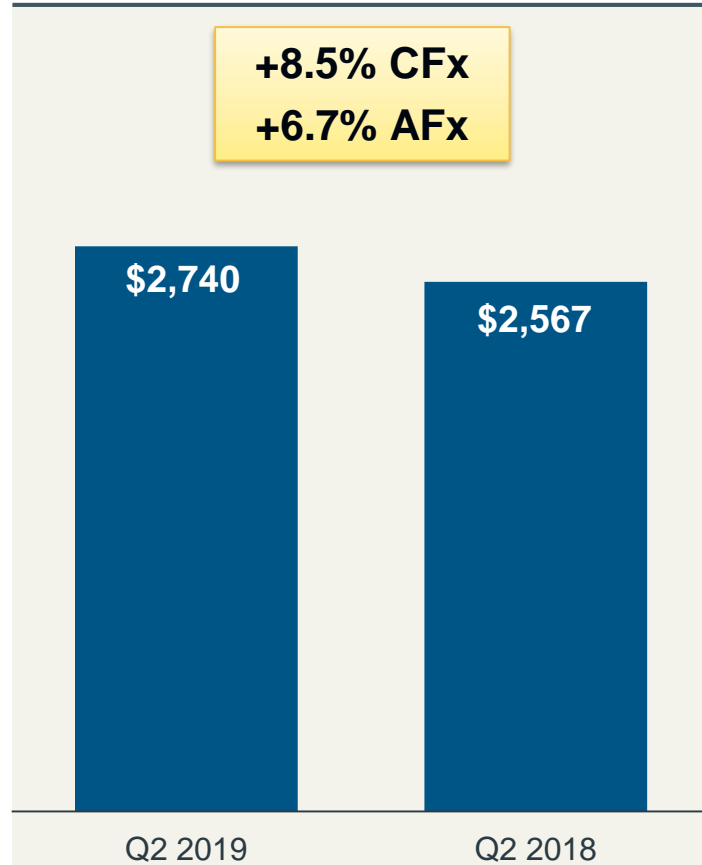
Trademarks

All trademarks or service marks are the property of IQVIA or their respective owners. Solely for convenience, the trademarks, service marks and trade names are referenced without the ®, (sm) and (TM) symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these marks.

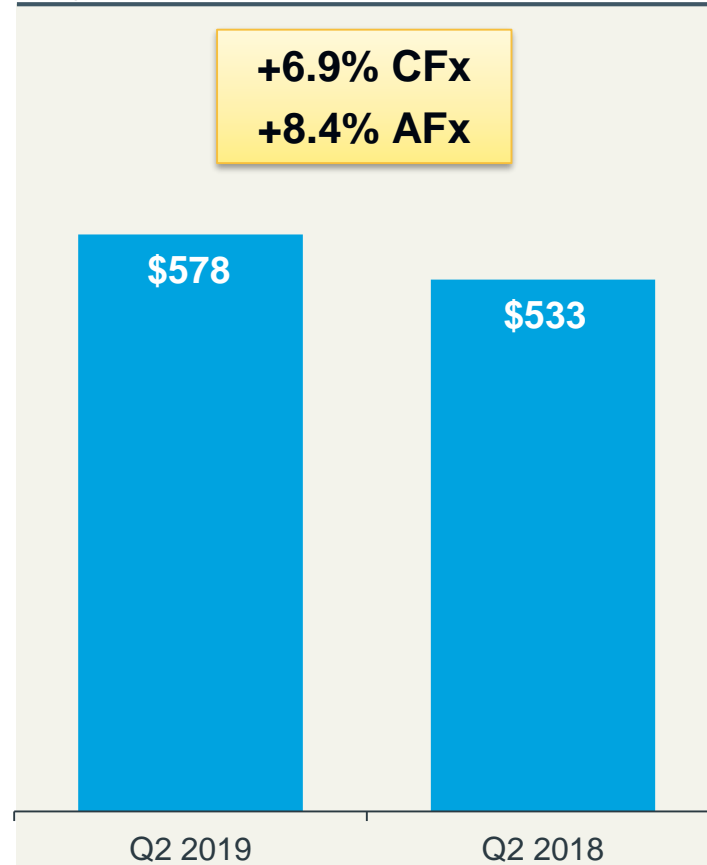
2nd Quarter Results

\$M, except per share data

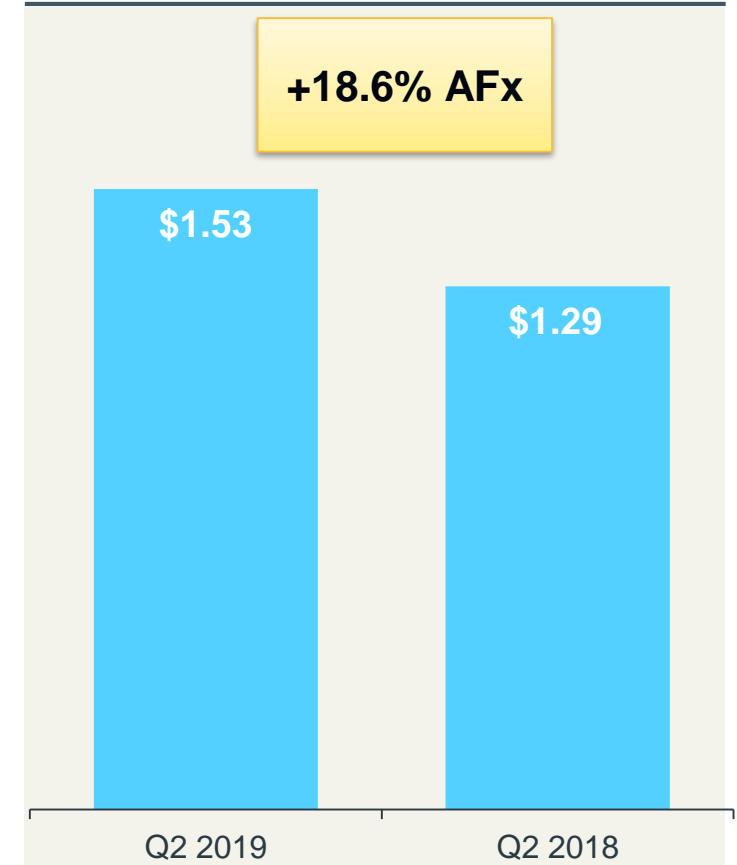
Revenue



Adjusted EBITDA⁽¹⁾



Adjusted Diluted EPS⁽¹⁾



Dollars are at actual foreign exchange rates. AFX is actual currency, CFX is constant currency.

(1) See reconciliation of non-GAAP items in the Appendix

2nd Quarter and Year-to-Date Revenue

\$M

	Q2				YTD			
	2019	2018	VPY% AFx	VPY% CFx	2019	2018	VPY% AFx	VPY% CFx
Technology & Analytics Solutions	\$1,102	\$1,011	9.0%	11.4%	\$2,177	\$1,996	9.1%	12.1%
Research & Development Solutions	\$1,435	\$1,350	6.3%	7.5%	\$2,851	\$2,715	5.0%	6.4%
Contract Sales & Medical Solutions	<u>\$203</u>	<u>\$206</u>	(1.5)%	1.0%	<u>\$396</u>	<u>\$ 419</u>	(5.5)%	(3.1)%
Revenue	\$2,740	\$2,567	6.7%	8.5%	\$ 5,424	\$5,130	5.7%	7.8%

Dollars are at actual foreign exchange rates. AFx is actual currency, CFx is constant currency.

2nd Quarter and Year-to-Date Profit

\$M, except per share data

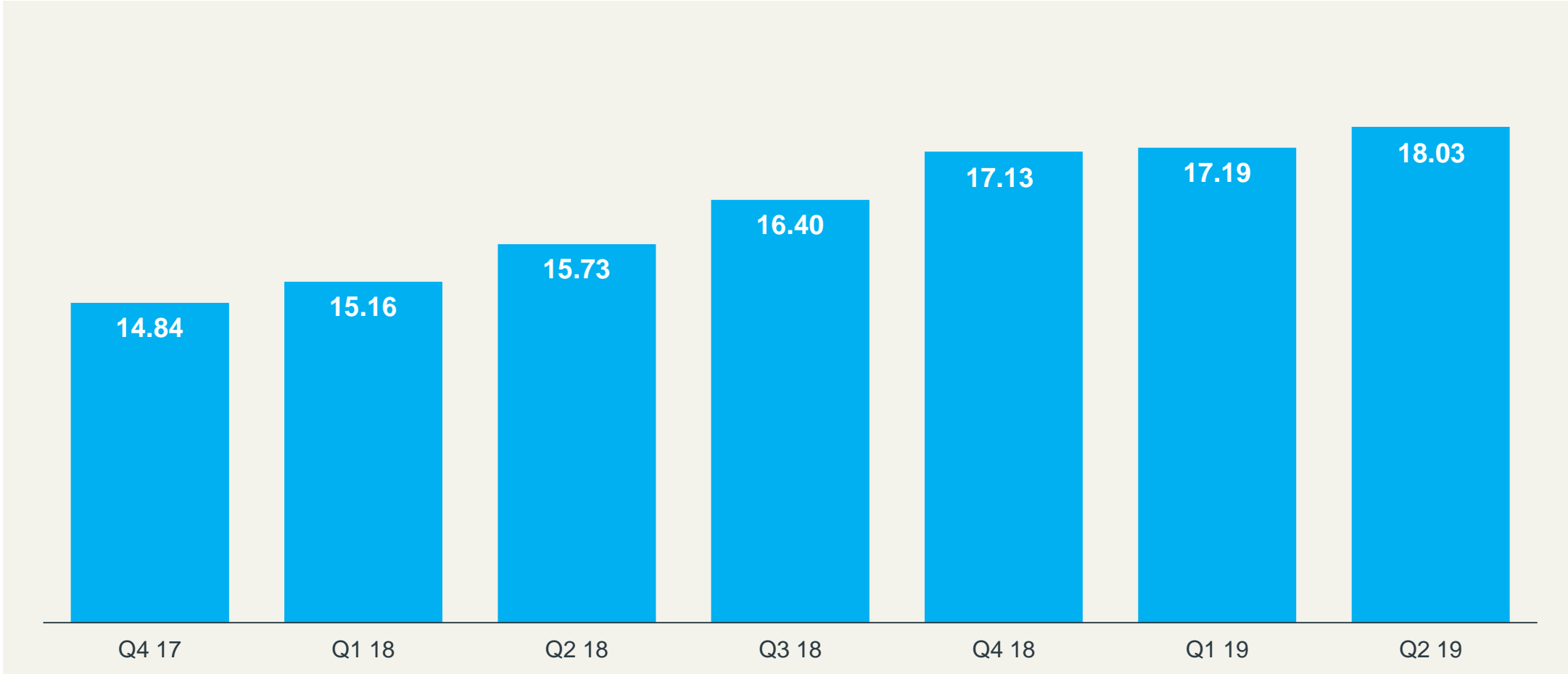
	Q2		YTD	
	2019	2018	2019	2018
Adjusted EBITDA ⁽¹⁾	\$578	\$533	\$1,165	\$1,080
Net Income	\$60	\$61	\$118	\$130
Diluted Earnings per Share	\$0.30	\$0.29	\$0.59	\$0.62
Adjusted Net Income ⁽¹⁾	\$306	\$270	\$615	\$555
Adjusted Diluted Earnings per Share ⁽¹⁾	\$1.53	\$1.29	\$3.06	\$2.63

Dollars are at actual foreign exchange rates.

(1) See reconciliations of non-GAAP items in appendix.

R&D Solutions Backlog

\$B



Dollars are at actual foreign exchange rates.

2nd Quarter Balance Sheet and Cash Flow Items and Metrics

\$M

Cash & Cash Equivalents	\$938
Gross Debt	\$11,399
Net Debt	\$10,461
Gross Leverage Ratio ⁽¹⁾	4.9x
Net Leverage Ratio ⁽¹⁾	4.5x
Net Cash Provided by Operating Activities	\$391
Capital Expenditures	\$155
Free Cash Flow	\$236

Dollars are at actual foreign exchange rates.

(1) Calculated using last twelve months Adjusted EBITDA.

Full-Year 2019 Guidance

\$M, except per share data

	PRIOR	UPDATED
Revenue <i>VPY%</i>	\$10,900 - \$11,125 4.7% - 6.8%	\$11,000 - \$11,150 5.6% - 7.1%
Adjusted EBITDA <i>VPY%</i>	\$2,375 - \$2,425 6.8% - 9.0%	\$2,385 - \$2,415 7.2% - 8.6%
Adjusted Diluted EPS <i>VPY%</i>	\$6.20 - \$6.40 11.7% - 15.3%	\$6.25 - \$6.45 12.6% - 16.2%
Adjusted Book Tax rate ⁽¹⁾	~22%	~22%
Adjusted Cash Tax rate ⁽¹⁾	~15%	~15%

Dollars are at actual foreign exchange rates.

Guidance assumes current exchange rates remain unchanged from June 30, 2019 to the end of the year.

(1) Adjusted Book Tax Rate is defined as adjusted book tax divided by adjusted pre-tax income; Adjusted Cash Tax Rate is defined as cash taxes divided by adjusted pre-tax income.

Q3 2019 Guidance

\$M, except per share data

	Q3 Guidance	Q3 YTD Guidance	YTD VPY%
Revenue	\$2,730-\$2,780	\$8,154-\$8,204	5.6%-6.2%
Adjusted EBITDA	\$580-\$595	\$1,745-\$1,760	6.3%-7.3%
Adjusted Diluted EPS	\$1.53-\$1.59	\$4.59-\$4.65	13.3%-14.8%

Dollars are at actual foreign exchange rates.

Guidance assumes current exchange rates remain unchanged from June 30, 2019 to the end of the quarter.

IMS Health & Quintiles are now



Q&A



Appendix

Net Income to Adjusted EBITDA Reconciliation

\$M

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income Attributable to IQVIA Holdings Inc.	\$ 60	\$ 61	\$ 118	\$ 130
Provision for income taxes	8	24	49	43
Depreciation and amortization	294	282	589	564
Interest expense, net	112	106	220	200
Income in unconsolidated affiliates	(1)	(4)	—	(11)
Income from non-controlling interests	11	7	20	11
Deferred revenue purchasing accounting adjustments	2	2	5	3
Stock-based compensation	34	26	60	47
Other expense (income), net	12	(21)	18	(9)
Loss on extinguishment of debt	—	2	—	2
Restructuring and related charges	14	17	26	43
Acquisition related charges	11	14	19	26
Integration related costs	21	17	41	31
Adjusted EBITDA	\$ 578	\$ 533	\$ 1,165	\$ 1,080

Net Income to Adj. Net Income and Per Share Data Reconciliation

\$M, except per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income Attributable to IQVIA Holdings Inc.	\$ 60	\$ 61	\$ 118	\$ 130
Provision for income taxes	8	24	49	43
Purchase accounting amortization	225	217	450	435
Income in unconsolidated affiliates	(1)	(4)	—	(11)
Income from non-controlling interests	11	7	20	11
Deferred revenue purchasing accounting adjustments	2	2	5	3
Stock-based compensation	34	26	60	47
Other expense (income), net	12	(21)	18	(9)
Loss on extinguishment of debt	—	2	—	2
Royalty hedge gain (loss)	3	(1)	6	(5)
Restructuring and related charges	14	17	26	43
Acquisition related charges	11	14	19	26
Integration related costs	21	17	41	31
Adjusted Pre Tax Income	\$ 400	\$ 361	\$ 812	\$ 746
Adjusted tax expense	(81)	(82)	(173)	(175)
Income from non-controlling interests	(11)	(7)	(20)	(11)
Minority interest effect in non-GAAP adjustments ⁽¹⁾	(2)	(2)	(4)	(5)
Adjusted Net Income	\$ 306	\$ 270	\$ 615	\$ 555
Adjusted earnings per share attributable to common stockholders:				
Basic	\$ 1.56	\$ 1.31	\$ 3.13	\$ 2.69
Diluted	\$ 1.53	\$ 1.29	\$ 3.06	\$ 2.63
Weighted-average common shares outstanding:				
Basic	196.2	205.7	196.6	206.6
Diluted	200.6	209.9	201.2	210.9

⁽¹⁾ Reflects the portion of Q² Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

Leverage Ratios

\$M

Gross Debt, net of Original Issue Discount, as of June 30, 2019	\$	11,399
Net Debt as of June 30, 2019	\$	10,461
Adjusted EBITDA for the twelve months ended June 30, 2019	\$	2,309
Gross Leverage Ratio (Gross Debt/LTM Adjusted EBITDA)		4.9x
Net Leverage Ratio (Net Debt/LTM Adjusted EBITDA)		4.5x